



Thursday, October 19, 2006

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Public Works
RECOMMENDATION FOR COUNCIL ACTION

ITEM No 24

Subject Approve a resolution changing the procurement methodology for the North Village Branch Library and the Twin Oaks Branch Library from the Competitive Sealed Proposal method of contracting for facility construction as permitted by Subchapter H of Chapter 271 of the Texas Local Government Code to the Competitive Bidding method of contracting

Additional Backup Material
(click to open)
 Resolution

For More Information Rosie Truelove, 974-3064, or Laura Bohl, 974-7064

Prior Council Action 8/26/2004 - Council authorization of Competitive Sealed Proposal Methodology

The 77th Texas Legislature passed Senate Bill 510 in 2001 which allows municipalities new solicitation options, upon approval of the governing entity, for construction of a facility

On August 26, 2004, the City Council authorized the use of the Competitive Sealed Proposal Method of contracting for facility construction for five projects: The Mexican American Cultural Center – Phase I (MACC), Gus Garcia Recreation Center, Turner Roberts Recreation Center (then known as Colony Park Recreation Center), North Village Branch Library, and Twin Oaks Library

Competitive Sealed Proposals is one of several procurement types authorized that allow the City to consider price and items such as vendor reputation and the vendor's past relationship with the City to determine the best value for construction of facilities. Two projects have been bid using this methodology – the MACC and Gus Garcia Recreation Center. Both projects came in significantly over the amount budgeted, even after estimates were updated in accordance with the current economy. The Turner Roberts Recreation Center is currently being solicited as a Competitive Sealed Proposal.

We have witnessed skyrocketing material cost escalations in recent months. In order to mitigate the risk and maintain the budgets for the three remaining projects, Public Works seeks authorization to bid the remaining facility contracts – North Village Branch Library and Twin Oaks Branch Library – as low bid projects, not as competitive sealed proposals.

The Competitive Sealed Proposal (CSP) methodology has the potential to provide various benefits when awarding projects in which CSP is appropriate. However, to date the City has not realized any clear gains or benefits under the CSP methodology. Additionally, as is being experienced nationwide, we continue to see significant cost increases in construction projects. These increases are due to several factors including the cost of steel, concrete, all petroleum based products, and other. To ensure the best cost possible, uninterrupted scheduling and award of the construction of the North Village Branch Library and Twin Oaks Branch Library we are recommending the change to a lowest bid proposal. However, we plan on continuing to evaluate and develop proposed modifications to the CSP methodology and the associated selection criteria in order to better realize the potential benefits of this process. Staff will return to Council to present and discuss any proposed changes to the CSP matrix and process.

RESOLUTION NO.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City authorizes the use of the Competitive Bidding method of contracting for facility construction of the North Village Branch Library and the Twin Oaks Branch Library, finding that this method will provide the best value to the City for construction of these facilities

ADOPTED: _____, 2006 **ATTEST:**

Shirley A Gentry
City Clerk